

**Texas House Committee on Transportation
Notice of Formal Request for Information
August 17, 2020**

Interim Charge 4: *“Study the state’s seaport infrastructure and the infrastructure at land ports of entry to facilitate international trade and economic trade. Examine seaport infrastructure and the auxiliary rail and roadway needs connected to each port as well as the port’s ability to keep pace with oil and gas production. Make recommendation to maximize the economic flow of goods and products to and from seaports and study the feasibility and economic impact of dredging and widening Texas ports in order to remain competitive in international trade.”*

**Written Submission of the Port of Houston Authority of Harris County, Texas
By Roger Guenther, Executive Director
September 18, 2020**

Thank you for the opportunity to address this interim charge, as this committee studies our seaport infrastructure and economic impact of dredging and widening Texas ports. My name is Roger Guenther and I am the Executive Director of the Port of Houston Authority.

Maritime commerce through the Houston Ship Channel is a critical engine for the State of Texas, generating \$339 billion in statewide economic value and 1.35 million Texas jobs. This Texas waterway, home to the busiest port in the nation, is also critical to its economic and energy security, creating \$802 billion in economic value, three million jobs, and \$38 billion in local, state, and federal tax revenue each year.

The Houston Ship Channel and greater port complex includes some of the largest refineries in the country, the nation’s largest petrochemical manufacturing industry, and facilities that handle nearly 70% of container cargo in the U.S. Gulf. It is the largest port in the top exporting state in the U.S. as well. Moreover, it is the busiest waterway in the nation, receiving more than 9,000 deep-draft vessels each year on top of 200,000 barge movements.

As the non-federal sponsor of the Houston Ship Channel, it is the Port of Houston Authority’s obligation to ensure that this waterway is maintained and improved as a safe and efficient navigable waterway for maritime commerce for the State of Texas.

As demand increases for larger vessels for the export of hydrocarbons, the movement of petrochemical products, and the import and export of container and general cargo, improvements must be made to allow for efficient two-way traffic in the Houston Ship Channel.

In 2014, the Port of Houston Authority, in partnership with the U.S. Army Corps of Engineers, began a study of future requirements to determine those improvements necessary for the next generation of the Houston Ship Channel. We refer to this work as Project 11, as it is the eleventh time improvements have been made to maintain competitive commerce in the channel’s history of more than a century.

This study was completed earlier this year, and design is underway for its expansion, including measures to widen the channel by 170 feet along its Galveston Bay reach – from 530 to 700 feet – and deepen segments further upstream by up to 45 feet to accommodate the deeper-draft vessels needed for efficient global export of crude and other hydrocarbons. Design work is being conducted by the Port Authority under the review of the Army Corps, and is expected to be completed early next year.

Project 11 will become an authorized federal project following passage into law of the pending Water Resources and Development Act (WRDA), which we expect to occur later in 2020. We are hopeful for a “new start” appropriation to follow soon after, which would allow for construction to begin sometime in 2021. The estimated cost of this federal project – of up to \$1 billion – will be funded through federal appropriations and Port Authority cost-share contributions, and may be expedited with private sector funds.

Although channel improvements are a priority for Texas maritime commerce, it is also critical to continue investments in the landside infrastructure that connects the Port of Houston to markets in our state and nation. We continue to engage with state and local officials to support planning to expand highways, port access connections, and alternative modes of transportation, for the efficient movement of freight to and from all of the facilities served by the Houston Ship Channel. Waterside investments are important, but a seamless landside freight network is equally critical to maintain competitive commerce for the State of Texas.

Thank you for the opportunity to provide this submission.